

\$15 Minimum Wage in Illinois: Fact Sheet

By: Frank Manzo IV, Jill Manzo, and Robert Bruno | February 5, 2019



The minimum wage has been at the forefront of state policy action to combat inequality. In January 2019, [19 states](#) raised their minimum wage. Illinois, however, has not increased its minimum wage (\$8.25 per hour) since July 2010.

Studies find that minimum wage hikes boost worker earnings while having little to no negative impacts on jobs.

- [90% of peer-reviewed studies](#) find that a higher minimum wage is associated with higher wages. The Federal Reserve Bank of Chicago [has also found](#) that minimum wage hikes raise the incomes of workers earning slightly above the new minimum wage (between 120% and 300% of the new minimum wage).
- The declining value of the minimum wage— due to inflation— is a [leading cause of inequality](#) for women.
- Recent research finds little to no significant impact of minimum wage laws on [employment](#) or [hours worked](#). A [review of 64 academic studies](#) found that a 10% increase in the minimum wage is associated with a modest 0.2% to 0.6% drop in employment or hours.
- There is evidence that [worker turnover falls](#) following a minimum wage hike, reducing employer costs.
- After Amazon announced plans to raise its hourly minimum wage to \$15, [the company received 850,000 job applications](#) in one month, more than double its previous record.
- The impact of a higher minimum wage on consumer prices is [small](#). A 10% increase in the minimum wage is associated with a small 1.2% increase in [restaurant food prices](#). However, in Seattle, there was no evidence of a change in [supermarket prices](#) both one month and one year following enactment of the local ordinance.

A \$15 minimum wage could mean a \$6,000 raise for more than 1.4 million Illinois workers.

- In Illinois, a \$15 minimum wage would directly affect [more than 1.4 million adult workers](#) paid by the hour. Of these workers, 57% are women, 50% are white, 89% are U.S. citizens, and 56% are age 30 and older.
- A \$15 minimum wage would raise earnings for low-income workers by about [\\$6,000 per year](#), lifting more than 200,000 workers out of poverty and generating \$380 million annually in state income and sales taxes.
- A \$15 minimum wage could [modestly reduce labor demand](#) by 3.7%, but the lost hours would likely be spread out among the affected workers who would potentially [work a little less but earn more](#) overall every year.
- Since Chicago increased its minimum wage, the policy has already produced [higher incomes for at least 330,000 low-wage workers](#) while having no negative impact on the growth of new businesses or overall employment. In fact, *Site Selection* magazine has repeatedly [named Chicago the top city](#) for corporate relocation and investment every year since the ordinance went into effect.
- As of [November 2018](#), the unemployment rate was *lower* in Cook County (3.8%)— where local minimum wages are higher— than the rest of the state (4.4%).

A \$15 minimum wage would have the largest impacts on communities outside of the Chicago area.

- Since the minimum wage is already \$12 per hour in the City of Chicago and \$11 per hour in many surrounding suburbs, a \$15 minimum wage would have [the largest impacts](#) outside of the Chicago area. While a \$15 minimum wage would boost earnings by about \$5,000 for directly-affected workers in the Chicago area, it would raise annual incomes for low-wage workers by more than \$8,000 in the Springfield area, more than \$7,000 in the Rockford area, and more than \$6,000 in the St. Louis area.
- A \$15 minimum wage would decrease the number of [renters who are housing cost burdened](#) by 20% in Chicago, 25% in Springfield, 25% in Rockford, and 28% in St. Louis.
- In a 2014 advisory question, 67% of Illinois voters approved of a higher minimum wage. The measure received majority support in [83 of 102 counties](#) (81%), indicating broad support across all regions of the state.

The minimum wage is intended to ensure that working-class families can maintain a decent standard of living. Illinois' current minimum wage of \$8.25 fails to prevent workers from earning poverty-level wages. By raising the minimum wage to \$15 per hour, Illinois can boost worker incomes, increase consumer demand, and grow the economy.

ILLINOIS WORKERS WHO WOULD HAVE HIGHER EARNINGS FROM A **\$15** MINIMUM WAGE



- ✓ **9 in 10** are U.S. citizens
- ✓ **3 in 5** are 30 years or older
- ✓ **1 in 2** have children
- ✓ **38,000** are military veterans



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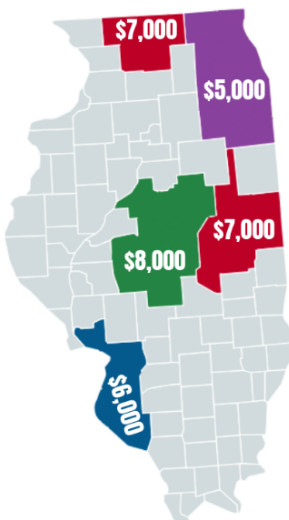
\$15 MINIMUM WAGE IN ILLINOIS



- ✓  **1.4 million** low-income workers impacted
- ✓  **\$6,300** increase in annual income
- ✓  **212,000** fewer workers in poverty



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\$15 MINIMUM WAGE

- ✓ **Would boost worker earnings across Illinois**
- ✓ **Largest impacts would occur outside of the Chicago region**



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Read more on the minimum wage from the Illinois Economic Policy Institute and the Project for Middle Class Renewal at the University of Illinois at Urbana Champaign

Bruno, Robert & Frank Manzo IV. (2019). *The Regional Impacts of a \$15 Minimum Wage in Illinois: Estimates for Six Regions*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

Manzo IV, Frank; Robert Bruno; & Robert Habans. (2018). *The Effects of the Chicago Minimum Wage Ordinance: Higher Incomes with Little to No Impact on Employment, Hours, and Businesses in the First Two Years*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

Manzo IV, Frank; Jill Manzo; & Robert Bruno. (2018). *Raising the Minimum Wage: What \$10, \$13, or \$15 Per Hour Would Mean for Illinois*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

*NOTE: All sources cited on this fact sheet can be found in the three reports listed above.